

21 NOV 1975

SUBJECT: Ray Waldman's 24 November draft, "Review of Background Information"

A. Comments on the Section, "Tentative Identification of Issues (pp 28-30)

Page 28. A. Public Accountability. Add:

6. Accountability to the Attorney General for possible abuses of authority and criminal acts and policy on public disclosure. (It should be a matter of public Presidential policy, that no employee of the Intelligence Community is immune from administrative discipline on investigation and prosecution by virtue of the secret and sensitive nature of his work.)

7. Policy on secrecy agreements with intelligence personnel. (There needs to be a clearer policy, and possibly legislation on the scope and legal standing of employee secrecy agreements, with special attention given to the relation of such agreements and public reporting of abuses and criminal acts.)

B. Congressional Concerns and Role of Congress.

Add:

12. Statutory clarification of the scope and standing of secrecy agreements. (See A. 7 above)

C. Executive Accountability and Control. Add:

4. Powers, responsibilities, and authorities of the DCI

(This issue should address the matching of responsibility and authority with specific reference to two areas: budgetary control and strategic warning systems. The first point has been discussed in several of the cited studies; the second has not. The question of whether the DCI should be responsible for various strategic warning radar systems, now operated by DoD, should be addressed. Present responsibilities for the overall effectiveness of our strategic warning system is unclear and should be clarified.)

6. Powers, responsibilities, and relationships of inspectors general of intelligence agencies.

(This issue should encompass more than "powers".)

Page 30. E. Management Improvement

12. Transition from peacetime to wartime and control of resources.

(This issue should address the wartime role of the DCI and the circumstances under which any transfer of control to military commanders would take place.)

B. Suggested Corrections:

- Page 17, line 3: The same Presidential directive (5 November 1971) also consolidated various DoD intelligence activities, creating the Central Security Service and the Defense Mapping Agency.
- Page 20, line 17: Except for the proposed two DDCIs, there were no recommendations for internal CIA reorganization in the Rockefeller Commission Report.
- Page 4 of the Section on the Intelligence Community, line 4: The NSCIC was established by the Presidential letter of 5 November 1971.
- Page 7 of the same section, Line 2: 1972 should read 1971.
- Same page, Line 21: IRAC was established by the Presidential letter of 5 November 1971. It superceded the National Intelligence Resources Board.
- Page 8 of the same section, Line 4: Should read three-star vice four-star.
- Same page, Line 6: This sentence might read: This staff, established as the National Intelligence Programs Evaluation Staff in 1963, was retitled and expanded in 1972 as a result of the Presidential letter of 5 November 1971.

- Page 9 of same section, Line 8: DIA was established in 1961.
- Same page, Line 15: Believe that NSA was established in 1952 by Presidential directive rather than NSCID.

28 November 1975


MEMORANDUM FOR: Mr. Lehman

SUBJECT : Waldmann Report

We have reviewed the Waldmann report transmitted by your memorandum of November 24 and have only two items, both being factual errors, to note.

1. At page 20, it is stated that the Rockefeller report proposed new oversight responsibilities within the Executive Branch through, among other entities, the Department of Justice. This is not correct. The Rockefeller Commission recommended agreed Justice-CIA written guidelines for the reporting of crimes to the Department of Justice on the part of Agency employees. Such reports are required by statute in any event, and the Rockefeller recommendation was that the two agencies agree on procedures for implementation. This would not amount to "oversight."

2. At page 2 of the summary paper (apparently a part of Tab B), there is a reference to seven NSCIDs. In fact there are eight NSCIDs.

  
RICHARD H. LANSDALE

Associate General Counsel

*Griffiths now in existence*

STA

DDA 75-5676

MEMORANDUM FOR: Director of Strategic Research  
SUBJECT : Comments on the Waldmann Paper

1. Re page 8, resource managers, believe it might be helpful to make some comment on what the resource manager manages. We presume from the paucity of comment made that the reader understands what a resource manager does.

2. Re page 9, the sentence regarding CIA covert action does appear out of context and does imply that covert action is a predominant part of CIA. We talk of DOD with national reconnaissance program and the combined cryptologic program and then immediately drop a small chunk of CIA on the reader's lap with no other reference to CIA. Believe we ought to expand comments regarding CIA.

3. Re page 22, I remain a great believer in Central versus Foreign but would not lie down across the tracks.

4. Re page 28, "Tentative Identification of Issues," our concern on the litany of issues is the fact that in essence we are drawing attention to those items and, by virtue of that fact, cause them to become issues.

5. Re issues:

--B.3. Why should we single out intelligence officers for criminal liability more so than any other Government employee?

--B.8. A few Congressmen have raised the question of GAO audit, but we do not feel it has been characterized as an issue. Our audit has been quite legal and proper and we should not be embarrassed by it. An option paper, as you know, has been prepared for the Director and will be submitted to him next week.



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--Re E.10. While there has been some question of DCI's authority to fire employees, we hate to see further attention drawn to it by identifying it as an item.

6. Re Tab B, TS summary, quoting from the [redacted] report on the disarray of community intelligence requirements, the text leading to that statement suggests to the reader some authenticity for that statement applying to today's world which I don't think is the case. A casual reading of this report may prompt one to come away with the wrong impression. Believe some words have to be infused into the text which depict the present day requirement generation and the coordination of same.

7. Re recommendations. Although the CIA study did not address certain of the categories of recommendations, there might be some advantage for a CIA position to be expressed on these categories, to wit, PFIAB. The Director has commented by way of the IC Staff regarding the role PFIAB should play, and, contrary to taking on an oversight role, it was limited to being advisory in nature. Reiteration of that position might have some merit in the Waldmann paper.

--Re the 40 Committee, it might be advisable to formalize through some mechanism the fact that the 40 Committee is the body that puts CIA in motion re covert action.

--Re NSA, did not the CIA study place NSA's budget under approval of DGI?

[redacted]  
John N. McMahon  
Associate Deputy Director  
for  
Administration

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25 November 1975

MEMORANDUM FOR: Mr. Richard Lehman

SUBJECT : Comments on 24 November Waldmann Paper

Set forth below are my preliminary comments on the 24 November paper from Ray Waldmann entitled "Review of Background Information." As is evident to any reader, this paper is a mishmash, a jumble of bits and pieces tacked together without much reflection -- in Churchill's phrase, a themeless pudding. My comments are keyed to its various sections, to which I have arbitrarily assigned Roman numerals for easy reference. (These Roman numerals are mine, not the paper's.)

I. Pages 1-9. "A. The Intelligence Community"

The first eight pages warrant little comment, since they are largely a crib from our report and most of the actual prose was originally mine. Page 9 is tacked on and does not seem to me to track very well with what precedes it.

II. Pages 13-26. "B. Summary of Recent Reports"

This section is fairly good though a little confusing, since it speaks of six reports but also discusses (on page 16-17) President Nixon's 5 November 1971 letter. To a reader not already familiar with the subject, the discussion

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of that letter could be confusing since it sounds like a separate report. Furthermore, the memorandum does not make it clear that the letter was one of the fruits of the 1971 Schlesinger Report and the PFIAB Report of that same year, primarily the former.

-- Note the interesting implication of page 13 that the Senate and House Committees will in due course receive all six of the studies discussed. I do not know whether this reflects a policy decision or simply an assumption on the part of the author, which is not yet accurate. To the best of my knowledge, no Congressional committees have yet seen the 1971 Schlesinger Report, the 1971 PFIAB Report or our own study. The checklist is dismal, and the capsule summaries of our own recommendations are either inaccurate or unbalanced in the sense that they miss our main points and recapitulate matters we would have considered secondary. For example, we did suggest that the National Security Act needs revision but not (at least primarily) "to prevent abuses." Similarly, we had more to say about producer/consumer dialogue than making the DGI Chairman of the NSCIC and we certainly had a lot more to say about the role of DOD in intelligence than simply recommending a "plan to transfer intelligence assets to DOD control in war." If the other columns in the checklist

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are equally inaccurate, any high-level official reading it (especially one not familiar with the actual documents) will be seriously misled about what those six reports actually covered or recommended.

III. Pages 27-30. (C. Tentative Identification of Issues)

-- Colby, as you probably know, wants a sentence stuck in here calling attention to the price of change and asking the question "Is it worth it?". My own view is that a paper which tries to be on all sides of every issue produces little but confusion. As you doubtless recognize, we do have a fundamental philosophical/conceptual difference of opinion on this point of <sup>the</sup> advisability, even necessity, of change.

I think all six of us who worked on our own report were unanimously convinced the change was both necessary <sup>and</sup> and inevitable. The DCI is not of that persuasion, however, and his four line deputies are certainly not of this view. They would prefer as little change as possible, and Bill has swung back toward this position quite markedly in the last few weeks.

-- In a list of issues, I would not lead off with those relating to public accountability, ~~and~~ <sup>and</sup> they are certainly important; but to my eye it sets the wrong tone to make them topic A. On the other hand, <sup>their</sup> positioning clearly reflects the politically oriented

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priorities now in vogue downtown.

-- It is not clear what the eleven entries under Item B are supposed to be: reflections of known areas of Congressional concern or things the author of the paper feels ought to be addressed. Conceptual confusion here will doubtless produce similar confusion in the final product.

-- The entries under Item C (Executive Accountability and Control) are also interesting for what they reveal as well as what they say. The perhaps unconscious emphasis is very much on accountability and very little on efficiency or the kind of control designed to get a better product and a better result. This mind-set can cause us some real problems, since the temptation will be to offer concrete suggestions which are politically palatable in the current climate of public and Congressional opinion even though the proposals, if adopted, might make it extraordinarily difficult for the Intelligence Community to do an effective job over the next two decades.

-- The ten items under D (Organizational Arrangements) are <sup>equally</sup> ~~primarily~~ disturbing. Their language suggests some unexamined premises that ought to be looked at carefully, particularly items 4 and 5. Duplication in some fields -- e.g., competitive analysis -- is essential for substantive

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reasons even though it may look redundant to the budgeteers. Also, item 9 baffles me. I thought this was a non-issue laid to rest more than a decade ago; apparently it is not.

-- The 13 issues under Item E (Management Improvement) are even more of a logical jumble. They are not in any logical order and they are of differing logical types. Item 10 (The DCI's Authority To Fire Employees) looks to my eye as if someone dragged it in by the heels, and I wonder why it needs to be addressed at this time in this form.

IV. Next comes what I presume is supposed to be Tab A -- 12 pages ~~(I think)~~<sup>in</sup> a new numbering series) entitled "The Intelligence Community"

-- The five paragraphs under this section's I on Congressional Committees ought to be checked by someone for accuracy, for I am sure not all of its statements are factually correct.

-- The four paragraphs under II (Executive Office of the President) also needs reworking.

-- In the discussion of the NSC no mention is made of the Assistant to the President for National Security Affairs.

-- The discussion suggests the NSC is a corporate body capable of functioning as such. We all know this

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to be a fiction and this is a fiction which should not be perpetuated in a document intended for the President's background reading.

-- The description of the NSC's subcommittees is not accurate, particularly the description of the moribund NSCIC.

-- The discussion of the Intelligence Community in III also needs improvement.

-- No mention is made of the CIA Act of 1949 in discussing the DCI.

-- No mention is made of the three service intelligence agencies in the discussion of USIB or the ASD(I).

-- Something is screwed up on their references to NSCID No. 1: in one place it gives its date as 1958, in another as 1972.

-- The USIB does not work through subcommittees and it is ~~narrow~~<sup>wrong</sup> to suggest that it does.

-- The section on the Intelligence Community Staff (paragraph 3 on page 8) needs reworking. It has closer ~~more~~ to a 100 people than 50, Sam is a three-star General, and the staff was not expanded to its present size after the Schlesinger 1971 study. Instead, it was expanded after Schlesinger

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became DCI in 1973.

-- I don't like the section on the NIOs and have appended a suggested revision. This revision may be too long; if so, it can be cut at either set of brackets marked thereon.

-- The discussion of the CIA also needs improvement (e.g., the CIA does both overt and covert collection of foreign intelligence in the United States).

-- There are various inaccuracies in the discussion of the Defense Department components. Under the Navy (on page 10), for example, the DAI may technically be an Assistant Chief of Naval Operations but I have never heard of him referred to as such.

-- Similarly, in the section on State (page 11) the Bureau of Intelligence and Research is not headed by an Assistant Secretary, it is headed by a Director with the rank of Assistant Secretary.

V. Tab B.

I have no comments on the "summary" which takes up the bulk of Tab B, save that it should mention the CIA Act of 1949.

VI. I have a lot of trouble with Tab C.

It is very skimpy in its summaries of our own study's recommendations and this skimpiness produces distorting inaccuracies. I suspect it's no better with respect to

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its summaries of the other studies.

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Overall, this report is a very sloppy piece of work in no shape whatsoever to be shown to the President of the United States. It would do far more to confuse him than enlighten him; for it is confusing enough to a reader already ~~very~~ <sup>well</sup> versed on the subject. He would do far better to read our report from beginning to end and would get a far clearer understanding of the basic issues involved from doing so than he will from reading this document in anything like its present form.



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